

FREQUENTLY ASKED QUESTIONS
CIRCULAR LETTER OF BANK INDONESIA NO. 10/9/DASP DATED 5
MARCH 2008
CONCERNING PRINCIPLES FOR OPERATION AND OVERSIGHT
OF THE BI-RTGS SYSTEM

1. What transactions must be processed through the BI-RTGS System?

The categories of transactions that must be processed through the BI-RTGS System are:

- a. Interbank money market or Sharia interbank money market transactions;
- b. Bank transactions with Bank Indonesia for sale/purchase of securities such as Bank Indonesia Certificates (SBIs) and Government Securities;
- c. Interbank transactions for sale/purchase of securities with settlement performed by the Delivery Versus Payment (DVP) mechanism in the BI-SSSS;
- d. Interbank transactions on behalf of the bank itself and for the account of bank customers in nominal value as specified in the rules governing the limit on nominal value of credit transfers prescribed in the Bank Indonesia National Clearing System regulations;
- e. Other transactions that must be settled by Participants through the BI-RTGS System, as to be notified by Bank Indonesia.

In addition, the Operator is empowered to stipulate other transactions that may be settled through the BI-RTGS System.

2. What must the Operator consider to ensure that the operation of the BI-RTGS System has a proper legal basis?

The Operator must consider the following:

- a. Legality of BI-RTGS System operation;
- b. Legal certainty concerning the processing of transactions in the BI-RTGS System;
- c. Finality of settlement; and
- d. Legal certainty concerning the rights, obligations and responsibilities of the Operator and Participants.

3. What powers may be exercised by the Operator to ensure that Participants/prospective Participants comply with the terms and conditions for Participation in the BI-RTGS System?

The Operator has powers to:

- a. Require prospective Participants to submit documents and comply with requirements prescribed by the Operator, including but not limited to holding a Settlement Account and provision of BI-RTGS System hardware and software;
- b. Require Participants to submit regular and incidental reports and comply with all obligations prescribed by the Operator, including but not limited to obligations pertaining to the preparation of Written Policy and Procedures and the Audit Report; and
- c. Conduct on-site oversight of prospective Participants and current Participants.